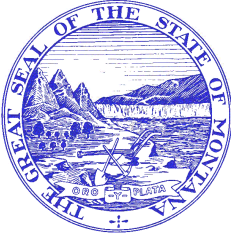


# DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

## Trust Land Management Division



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### **OTTER CREEK DATA CD: Version 2006.08.15**

Thank you for your interest in the development of the Otter Creek project area. This disk replaces our previous CD (Version 2004.12.09 and -.09a), and all data from the previous CD is included on the new disk. More importantly, this version includes a new evaluation of the Otter Creek property. The Norwest study was completed in July 2006 as a joint effort between the Department of Natural Resources and Conservation (DNRC) and Great Northern Properties LP. The study incorporates existing public data with new drill hole data acquired in 2004 and proprietary data from Great Northern Properties LP. The result is the most definitive presentation to date of the Otter Creek coal resource.

This disk is the result of efforts by the Governor's Office, Legislature, DNRC and Great Northern Properties LP (GNP). Most notably, the 2003 Legislature provided funding to conduct the 2004 drilling program and cultural inventory, and cover the state share of the Norwest study. Kennecott conducted the 2004 drill hole program under license from DNRC, and the State appreciates their efforts on our behalf. In June 2005, DNRC entered into an agreement with GNP for state participation in a new joint resource study incorporating all available data. The result is the 2006 study included on this CD. The State thanks GNP for providing their datasets in the preparation of this study, and for coordinating the contract with Norwest.

The State's ownership in the Otter Creek coal resource is the result of two conveyances from the United States to Montana. The first grant encompassed 3 sections of traditional school trust land, acquired at statehood pursuant to the Enabling Act of 1889. The second grant included virtually all of the remaining Federal mineral ownership in the Otter Creek area, and was conveyed to the State as part of the 2002 Crown Butte settlement with the Federal government. As a result, the State's ownership totals over 9,500 acres, or roughly half of the Otter Creek area. Our ownership is spread across the area in a "checkerboard" pattern, with GNP owning the vast majority of the other half of the coal estate. Surface ownership is a combination of State, Federal and Fee.

Not surprisingly, DNRC's technical data comes from State ownership and is included on this CD. GNP technical data for lands it owns is available from GNP on a discretionary basis, subject to confidentiality and use restrictions. For further information, contact Mr. Charles H. Kerr, CEO, Great Northern Power Development LP, 601 Jefferson Street, Suite 3600, Houston TX 77002, (713.751.7590).

## **What's New!**

Version 2006.08.15 contains a significant amount of new information related to the Otter Creek project area. Data has also been reorganized into additional file folders, which hopefully will make specific information easier to locate. New information to check out includes:

- 2006 Norwest Study: Located in the Evaluations folder.
- An informational packet on energy development put together by Governor Schweitzer's Office of Economic Opportunity. Located in the Introduction folder.
- General informational presentations. Includes narrative and slide presentations from 2005 and 2006. Located in the Introduction folder.
- Draft Supplemental EIS for the proposed Tongue River Railroad. Located in the Tongue River Railroad folder. CoalMont LLC is the project proponent for the railroad. Contact Mike Gustafson at 406.252.5695 for more information.
- State coal leasing statutes and administrative rules. Located in the General folder.
- Land Board discussions from June and July 2006 on development of Otter Creek. The DNRC provided a status update at the June meeting. Charles Kerr attended the July meeting and provided GNP's perspective. Eugene Little Coyote, President of the Northern Cheyenne Tribe also attended and provided input on potential development from their perspective. Located in the General folder.

If you have any questions, please contact:

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This data disk is provided free of charge upon request, and without reservation. The State believes the technical data contained conforms to standard industry practices. However, the State of Montana does not warrant the accuracy or suitability of the information contained on this disk, and assumes no liability for its use.